

**ASSEMBLY BILL**

**No. 285**

---

**Introduced by Assembly Member Brown**

February 11, 2013

---

An act to amend Section 18000 of the Business and Professions Code, and to amend Section 14013 of, and to add Sections 14001 and 14013.2 to, the Unemployment Insurance Code, relating to microenterprises.

LEGISLATIVE COUNSEL'S DIGEST

AB 285, as introduced, Brown. Microenterprises: economic development.

(1) Existing law encourages local governments as well as California communities and the public agencies that serve them to promote development of a microenterprise, as defined.

This bill would revise the definition of a microenterprise.

(2) The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Under existing law, the California Workforce Investment Board is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Existing law requires the board, among other things, to assist the Governor with promoting the development of a well-educated and highly skilled workforce and developing the State Workforce Investment Plan.

This bill would express findings and declarations of the Legislature with respect to the self-employment workforce in the state, and the importance of all Californians having the opportunity to receive the training for entrepreneurial and self-employment provided for under the federal act.

This bill would additionally require the board to assist the Governor by developing specified guidelines for certain high-wage industry sectors and making recommendations on how to target resources to specified high-wage industry sectors, and by recommending policy and providing technical assistance on entrepreneurial training opportunities that could be made available through local workforce investment board programs as authorized under the federal act.

(3) The bill would also require the board, by January 1, 2015, to develop and distribute guidelines, or provide other assistance to, local workforce investment boards to help them implement entrepreneurial and self-employment training programs.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 18000 of the Business and Professions  
2     Code is amended to read:  
3     18000. (a) ~~(1)~~ For purposes of this part, “microenterprise”  
4     means a sole proprietorship, partnership, *limited liability company*,  
5     or corporation that meets all of the following requirements:  
6     ~~(A)~~  
7     ~~(1) Has fewer than five or fewer employees, including the owner.~~  
8     ~~owner, who may be employed~~  
9     ~~(B) Is part time or full time.~~  
10    ~~(C)~~  
11    (2) Generally lacks *sufficient* access to conventional loans,  
12    equity, or other banking services.  
13    ~~(2) Microenterprises are distinct from small businesses or~~  
14    ~~microbusinesses and include, but are not limited to, businesses~~  
15    ~~that provide child development services, businesses that provide~~  
16    ~~landscaping services, businesses that provide building maintenance,~~  
17    ~~businesses that provide personal and business services, businesses~~  
18    ~~that provide specialty food products, and home-based businesses.~~  
19    (b) For purposes of this part, “microenterprise development  
20    provider” means a nonprofit *organization* or public agency that  
21    provides self-employment training, technical assistance, and access  
22    to microloans to ~~individuals~~ *an individual* seeking to become  
23    self-employed or to *a microbusiness seeking expand* ~~their~~ *its*  
24    current business.

SEC. 2. Section 14001 is added to the Unemployment Insurance Code, to read:

14001. The Legislature finds and declares the following:

(a) Nearly one-third of California's workforce is comprised of independent and self-employed workers, including entrepreneurs, contractors, independent consultants, and home-based businesses.

(b) The self-employed workforce in California has grown by over 100 percent in the last 15 years.

(c) The federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.) provides that states should offer training and workforce development services through state and local workforce investment boards. In fulfilling these duties, it is important that all Californians have the opportunity to receive entrepreneurial and self-employment training, as well as other training that can help them successfully work for others.

(d) It is the policy of the State of California, to the extent feasible, to provide individuals with the opportunity to learn skills needed to pursue self-employment opportunities in order to provide a stable income for them and their families.

SEC. 3. Section 14013 of the Unemployment Insurance Code is amended to read:

14013. The board shall assist the Governor in the following:

(a) Promoting the development of a well-educated and highly skilled workforce.

(b) Developing the State Workforce Investment Plan.

(c) Developing guidelines for the continuous improvement and operation of the workforce investment system, including:

(1) Developing policies to guide the one-stop system.

(2) Providing technical assistance for the continuous improvement of the one-stop system.

(3) Recommending state investments in the one-stop system.

~~(4) Targeting resources to high-wage industry sectors that are either high-growth sectors or critical to California's economy, or both.~~

*(4) Providing guidance to ensure services reflect the needs of high-wage industry sectors.*

(d) Developing and continuously improving the statewide workforce investment system as delivered via the one-stop delivery system, including:

1 (1) Developing linkages in order to ~~assure~~ *ensure* coordination  
2 and nonduplication among workforce programs and activities.

3 (2) Reviewing local workforce investment plans.

4 ~~(3) Providing guidance to ensure services reflect the needs of~~  
5 ~~high-wage industry sectors.~~

6 (3) *Making recommendations on how to target resources to*  
7 *high-wage industry sectors that are either high-growth sectors or*  
8 *critical to California's economy, or both.*

9 (e) Commenting, at least once annually, on the measures taken  
10 pursuant to the Carl D. Perkins Vocational and Applied Technology  
11 Education Act Amendments of 1990 (~~Public~~ *Public* Law 101-392;  
12 20 U.S.C. Sec. 2301 et seq.).

13 (f) Designating local workforce investment areas within the  
14 state based on information derived from all of the following:

15 (1) Consultations with the ~~Governor~~ *board*.

16 (2) Consultations with the chief local elected officials.

17 (3) Consideration of comments received through the public  
18 comment process, as described in Section 112(b)(9) of the federal  
19 Workforce Investment Act of 1998 (*29 U.S.C. Sec. 2822(b)(9)*).

20 (g) Developing and modifying allocation formulas, as necessary,  
21 for the distribution of funds for adult employment and training  
22 activities, for youth activities to local workforce investment areas,  
23 and dislocated worker employment and training activities, as  
24 permitted by federal law.

25 (h) Coordinating the development and continuous improvement  
26 of comprehensive state performance measures, including state  
27 adjusted levels of performance, to assess the effectiveness of the  
28 workforce investment activities in the state.

29 (i) Preparing the annual report to the United States Secretary of  
30 Labor.

31 (j) Recommending policy for the development of the statewide  
32 employment statistics system, including workforce and economic  
33 data, as described in Section 15 of Title 29 of the United States  
34 Code, and using, to the fullest extent possible, the Employment  
35 Development Department's existing labor market information  
36 systems.

37 (k) Recommending strategies to the Governor for strategic  
38 training investments of the Governor's 15-percent discretionary  
39 funds.

1 (l) Developing and recommending waivers, in conjunction with  
2 local workforce investment boards, to the Governor as provided  
3 for in the federal Workforce Investment Act of 1998.

4 (m) Recommending policy to the Governor for the use of the  
5 25-percent rapid response funds, as authorized under the federal  
6 Workforce Investment Act of 1998.

7 (n) Developing an application to the United States Department  
8 of Labor for an incentive grant under Section 9273 of Title 20 of  
9 the United States Code.

10 (o) *Recommending policy and providing technical assistance*  
11 *on entrepreneurial training opportunities that could be made*  
12 *available through programs of local workforce investment boards*  
13 *as authorized under the federal Workforce Investment Act of 1998*  
14 *(29 U.S.C. Sec. 2801 et seq.).*

15 SEC. 4. Section 14013.2 is added to the Unemployment  
16 Insurance Code, to read:

17 14013.2. By January 1, 2015, the California Workforce  
18 Investment Board shall develop and distribute guidelines or provide  
19 other assistance, or both, to local workforce investment boards to  
20 help them implement entrepreneurial and self-employment training  
21 programs. In the development of these guidelines or other  
22 assistance, the board may consult with state agencies and small  
23 business-related associations, as appropriate.